Indigenous Tourism Alberta (ITA)

Alberta Indigenous Tourism Supplier/Provider Research

2019

Contents:

Executive Summary

This research report is produced by Indigenous Tourism Alberta (ITA) to better understand the attributes of Indigenous tourism businesses in Alberta as well as their opportunities and challenges in order to allow more informed decisions for ITA in their future organizational strategic planning process.

Project Overview

Objectives

ITA's priority objectives from this supply-side research project are:

1) To gather information on WHO the authentic businesses are, HOW they plan/produce/provide their experience and WHAT opportunities and challenges for which they are seeking assistance
2) To guide ITA's planning for future programs and projects while demonstrating to ITA's partners and Indigenous tourism operators a clear understanding of the needs of the suppliers, gaps in current support and opportunities to strengthen their business results.

Research Sources

This report reviews existing research and also collects new research to provide an understanding of the make-up, challenges and needs of Indigenous tourism businesses in Alberta.

New Research

- 2019 ITA Alberta Supplier Survey
- 2019 In-Person Supplier Site Visits
- 2019 Alberta Indigenous Tourism Suppliers Inventory Database

Existing Research

- 2017 ITAC Alberta Supplier Survey
- 2018-19 ITAC Supplier Research – Canada

Methodology / Process

The methodology used in this report follows four stages:

1. Collect primary research
   a. Indigenous tourism business survey
   b. Indigenous tourism business inventory database
   c. In-person Indigenous tourism business visits

2. Analyze and summarize primary research data
   This analysis is approached using three review steps:
   a. Summary of findings
   b. Significant analytical trends
   c. Observations of comments and feedback provided by survey respondents

3. Compare to related and associated research
   The 2019 primary data collection was compared to and contrasted with the 2017 data to highlight and demonstrate:
   a. Similarities and differences to 2017 data
   b. Additional or new data collected
   c. New perspectives or consistency of comments and feedback provided

4. Identify ITA strategic plan recommendations

   Based on the analysis of new 2019 data collected and in comparison to the 2017 research, this report offers strategic plan recommendations. These recommendations also take into consideration the analysis of the 2019 ITA database of businesses and the 2019 ITAC supply research to assist in identifying areas for ITA to prioritize moving forward.

Review of Supplier Data & Research

<u>2019 Alberta Indigenous Tourism Supplier Survey</u>

Indigenous Tourism Alberta (ITA) committed to updating and expanding the 2017 research.

Research Goals:

- Collect current information from active Indigenous tourism businesses
- Expand the information collected to better understand the supply of Indigenous tourism offered in Alberta

Survey Design - This 2019 version of the supplier/operator survey was designed based on the following key variables:

- Similar to 2017 survey to allow for data comparison
- Expands on 2017 survey to grow understanding and research
- Incorporates feedback from key industry and funding partners including Alberta Ministry of Economic Development, Trade & Tourism, Indigenous Services Canada, Western Economic Diversification and Alberta Ministry of Indigenous Relations

Categories of data collection

WHO are the Indigenous tourism suppliers?

- Update Alberta database of authentic Indigenous businesses

HOW they plan/produce/provide their experience?

- Business planning process
- Target markets
- Sales channels used
- Marketing partnerships

WHAT are their Opportunities and Challenges?

Opportunities

- Experience Development
- Marketing/Sales/Promotions

Challenges

- Operational/Administrative
- Training & HR
- Business Management

Key Findings of 2019 Survey

Location and Structure – the majority of the respondents are located in the southern region of Alberta and are entrepreneur-owned and their business is structured as a sole-proprietorship. Most of the respondents are not yet members of Indigenous Tourism Alberta, they have been in business over five years, have less than five full-time staff and earn less than $50,000 in total revenues annually. On a positive note, well over half of the businesses made a profit last year.

Types of Business - Respondents were asked to indicate all product categories that they offer on a regular basis. The top three categories, each at 40% or higher are Retail (42%), Outdoors & Adventure and Tours and Related Services (both at 40%). When asked to identify their primary or most important tourism offering, the responses showed Retail and Outdoors still in the top three, however Accommodations is now in the top three. This suggests that Tours and Related Services are frequently offered however are not typically the primary offering of a business.

Cultural Offering - Respondents indicated that almost 80% of the active Indigenous tourism businesses offered a cultural component to their guests.

Business Readiness - The respondents showed an even distribution across the four categories of business readiness. The businesses also indicated that 48% have been at the same readiness level for 5 years or more with only 21% indicating they have improved their readiness level in the past two years or less.

Planning & Delivery of the Tourism Experience - The majority of indigenous-owned tourism businesses who responded operate with a business plan with 35% indicating they used a very detailed annual plan. One quarter of respondents indicated they do not use any help from support agencies to assist with their business. Of those that do use assistance, the top four organizations used for help are ITA (40%), Travel Alberta (35%), ITAC (25%) and Alberta Ministry of Economic Development, Trade & Tourism (15%).

Target Markets – Respondents were asked to indicate all their primary target markets for their business. Responses showed a strong alignment with ITA's top five target markets for Indigenous tourism in Alberta: Alberta, rest of Canada, USA, Germany and the UK. Other countries also referenced were Australia, New Zealand and the Netherlands.

Marketing Activities –The most frequently used marketing activities (at 40% response rate or higher) are: Business Website & Social Media (82%), Brochures, Signage and Printed Materials (78%) Email Marketing (49%) and Partnerships with Destination Marketing Organizations (40%). Less than a third of the respondents showed using more traditional paid advertising. Only 16% showed that they have worked with travel media to grow awareness.

Opportunities Moving Forward - Asked to indicate what kind of business opportunity businesses felt would help them succeed, almost half of the respondents indicated they would expand their existing business offering with 36% indicating they would repair or improve their existing products. This shows a commitment to their existing product/service mix. Also at 36% was the opportunity to increase their marketing and promotional efforts to increase awareness and sales.

Types of Support Needed – The top five forms of support most often selected as the kind of help they most need to improve or expand their tourism business (in order):

1. Access to Financing
2. Marketing Support and Training
3. Support from tourism industry and political leadership
4. Partnerships with other businesses
5. Product development training, advice, guidance

Most Significant Barrier – Asked to describe their single biggest barrier or challenge to their business success, the top 5 answers collected relating to major barriers or challenges:

1. Funding, capital, investment – 9 responses = 20%
2. Staffing, H.R., trained & committed workforce – 7 responses = 16%
3. Limited marketing – 6 responses = 14%
4. Limited physical capacity, business size – 6 responses = 14%
5. Community support, stigma of tourism – 4 responses = 9%

Strategic Recommendations for ITA

Based on the findings of the primary research and review of existing research, the following recommendations are offered for consideration for ITA to incorporate into their organizational strategic planning process moving forward.

Recommendation #1

ITA should prioritize efforts to provide support with:

1. Access to Financing
2. Marketing Support and Training
3. Support from tourism industry and political leadership
4. Product development training, advice, guidance

Recommendation #2

ITA should focus its product development support on:

1. Helping businesses identify their needs to improve their existing business offering
2. Helping businesses identify key opportunities for their business by adding an additional element to their existing business to improve their results and sustainability.

Recommendation #3

ITA should develop a "Membership & Business Relations Program" plan to develop a stable base of memberships and engaged businesses who support ITA and help demonstrate ITA's value to the Indigenous tourism industry.

Recommendation #4

To assist with ITA's product development program, ITA should develop a program that assists at all levels of readiness to:

- Strengthen existing level of readiness
- Identify requirements and opportunities/challenges of achieving the next level
- Staged approach to build towards the next level to make it a manageable process

Recommendation #5

ITA needs to further develop their delivery of services and support to effectively reach out in a reasonably fair and balanced way. It is recommended that ITA pursues this in three ways:

1. Online services – interactive and relevant online services can be accessed from almost anywhere
2. Regional workshops & meetings – workshops, meetings and gatherings should be produced and attended by ITA throughout Alberta on a regular basis.
3. Regional outreach – In-person outreach should also be organized to demonstrate commitment to the businesses.

Recommendation #6

ITA's programs moving forward need to address the frequently identified barrier of limited access to a skilled workforce. Workshops, training and online support should all include relevant materials and support to help businesses attract, train and retain their workforce.

Recommendation #7

Target Markets –ITA can maintain their list of the top five geographic target markets for their marketing and promotions efforts: Alberta, rest of Canada, USA, UK and Germany. Additional markets appearing to have strong potential are China and Australia. ITA should also work more closely with Travel Alberta to align their efforts on reaching out to non-geographic based target markets through the Explorer Quotient program and the new Travel Alberta "Traveller Personas".

Indigenous Tourism Supplier Research
Background and Overview

ITA Supply-Side Research Project Overview

In 2017, an Alberta Indigenous tourism research project was developed and completed by the Indigenous Tourism Association of Canada. Its goals were to establish an understanding of the attributes and needs of Indigenous tourism providers in Alberta.

Building from this 2017 project, ITA has developed and completed an Indigenous tourism suppler research project to update and expand the findings from 2017. This project includes a broader gathering of information in relation to understanding the activities, opportunities and challenges of Indigenous tourism operators and suppliers in Alberta.

Objectives

ITA's priority objectives from the supply-side research project are:

3) To gather information on WHO the authentic businesses are, HOW they plan/produce/provide their experience and WHAT opportunities and challenges for which they are seeking assistance
4) To guide ITA's planning for future programs and projects while demonstrating to ITA's partners and Indigenous tourism operators a clear understanding of the needs of the suppliers, gaps in current support and opportunities to strengthen their business results.

Supply-Side Research Project Data Sources:

<u>2017 ITAC Supplier Survey</u>

Alberta Culture and Tourism and the Indigenous Tourism Association of Canada (ITAC) entered into a partnership agreement which looked to support mutual goals and objectives to support and grow Indigenous tourism in Alberta. A key component of the partnership agreement was to collect research from Indigenous-owned tourism suppliers/operators.

Research Goals:

Based on data collected directly from Indigenous-owned tourism businesses, to better understand:

- The types of Indigenous tourism businesses in Alberta and their level of readiness
- The needs and challenges of Indigenous tourism businesses

Research Sources:

1. Feedback from regional sessions targeting Indigenous tourism entrepreneurs and community leadership
2. Online Survey targeting Indigenous tourism entrepreneurs

<u>2019 ITA Supplier Survey</u>

Indigenous Tourism Alberta (ITA) committed to updating and expanding the 2017 research.

Research Goals:

- Collect current information from active Indigenous tourism businesses
- Expand the information collected to better understand the supply of Indigenous tourism offered in Alberta

2019 ITAC Supply Research

In 2018, the Indigenous Tourism Association of Canada (ITAC) partnered with The Conference Board of Canada to conduct research into the current state of the Indigenous tourism industry in Canada. This new research follows up from ITAC's previous nation-wide research project undertaken in 2015.

Research Goals:

- To profile and assess the economic impact of Canada's Indigenous tourism sector
- Deliver an updated direct economic footprint of the Indigenous tourism sector in 2017, including GDP, employment, and business growth
- Provides strategic insights from a 2018 survey of Indigenous businesses that participate in the Indigenous tourism sector in Canada

2019 ITA Supplier Database

ITA's database of Indigenous tourism businesses has grown to over 160 businesses and events as of September 2019. This database provides an understanding of business distribution based on:

- Tourism industry sector (type of tourism business)
- Geographic
- Level of business readiness

2019 ITA Supplier/Operator Site Visits

In 2018 and 2019, ITA senior staff visited over 20 Indigenous-owned tourism businesses in all regions of Alberta.

Business site visit goals:

- Promote ITA membership and association support programs
- Share tourism industry information and opportunities for support
- Collect understanding of opportunities and challenges of the business

Methodology of Supply-Side Research Project

Collect primary research

1) Survey designed with assistance from ITA's funding partners including EDTT, ISC, WED and Indigenous Relations
    a. Identify and confirm supply-side data variables to collect
    b. Confirm list of target businesses for research and target # of responses
2) SoGo Survey software was selected as the survey tool for this project.
3) Distribution – survey launched August 1/19, sent to ITA's database of businesses, newsletter list and partner networks; Western Diversification and Indigenous Services Canada also forwarded the survey to their contact lists
4) Participation outreach – emailed and called a targeted list of Indigenous tourism businesses to encourage and assist with survey responses, included letter from ITA Executive Director explaining the survey and its importance to Indigenous Tourism in Alberta
5) 52 responses received; goal was 50+ responses which represents approximately one third of the identified Indigenous tourism suppliers in Alberta

Analyze and summarize primary research data

The data collected through the primary research of the Indigenous tourism operator survey was compiled and analyzed with the assistance of the SoGo survey software. This analysis is provided below in the next report section providing:

- Summary of findings
- Significant analytical trends
- Observations of comments and feedback provided by survey respondents

Compare to related and associated research

The 2019 survey is an update and expansion of the 2017 research completed by ITAC in Alberta. The 2019 primary data collection was compared to and contrasted with the 2017 data to highlight and demonstrate:

- Similarities and differences to 2017 data
- Additional data collected
- New perspectives or consistency of comments and feedback provided by survey respondents comparing 2017 to 2019

Identify ITA strategic plan recommendations

Based on the analysis of new 2019 data collected and in comparison to the 2017 research, this report offers strategic plan recommendations. These recommendations also take into consideration the analysis of the 2019 ITA database of businesses and the 2019 ITAC supply research to assist in identifying areas for ITA to prioritize moving forward.

Additional Opportunity

ITA used this opportunity to also ask survey respondents who are Indigenous tourism businesses (or working towards becoming one) to submit a business improvement project proposal in the "Your Project Proposal" section of ITA's "Indigenous Tourism Alberta - Research Survey 2019". With the project description provided, ITA can explore opportunities with funding partners to see if there are future funding programs that may fit with the project proposal providing an important and valuable opportunity to get their project proposal reviewed and considered by funding organizations.

Review of Supplier Data & Research

2019 Alberta Indigenous Tourism Supplier Survey

Indigenous Tourism Alberta (ITA) committed to updating and expanding the 2017 research.

Research Goals:

- Collect current information from active Indigenous tourism businesses
- Expand the information collected to better understand the supply of Indigenous tourism offered in Alberta

Survey Design

This 2019 version of the supplier/operator survey was designed based on the following key variables:

- Similar to 2017 survey to allow for data comparison
- Expands on 2017 survey to grow understanding and database of research
- Incorporates feedback from key industry and funding partners including Alberta Ministry of Economic Development, Trade & Tourism, Indigenous Services Canada, Western Economic Diversification and Alberta Ministry of Indigenous Relations

Categories of data collection

<u>WHO are the Indigenous tourism suppliers?</u>

- Update Alberta database of authentic Indigenous businesses including:
  - Basic business information
  - Contact information
  - Primary business type(s) (i.e.: accommodations, retail, outdoor experiences, museum etc.)
  - # of years business has been in operation
  - # of staff (high season and low season)
  - Current business readiness level & # of years at current readiness
  - ITA Membership status
  - Existing/recent support programs they have accessed
- Business levels
  - Current business gross revenue level
  - Recent business levels – increasing, decreasing or staying the same
  - Expectations for next 2-3 years – increasing, decreasing or staying the same

<u>HOW do they plan/produce/provide their experience?</u>

- Business planning process
  - Formal/Informal
  - Areas of focus (Operations/Administration, Experience Dev't, Marketing/Sales etc.)
- Target markets
  - Primary
  - Secondary
- Sales channels used
  - In-person, at business location
  - By phone/email/fax
  - Business website bookings
  - Other online channels
  - Through tour operators/travel agents (they keep a commission)
- List online channels used for sales

- # of tour operators/travel agents with a sales agreement with your business
- List of tour operators/travel agents with a sales agreement with your business
- Marketing partnerships
    - Destination Marketing Organization (DMO) partners
    - Paid media partners (paid marketing program i.e.: Facebook, Google Ads etc.)
    - Business web and social media channels

<u>WHAT are their Opportunities and Challenges?</u>

Opportunities

- Experience Development
    - Repair/improvement of existing operations
    - Existing operation expansion
    - New business offering development
    - Partnerships for Experience Development
    - Other … (provide description of experience development opportunity)
- Marketing/Sales/Promotions
    - Marketing content development
        - Pictures/video
        - Business description, stories, blogs
        - Brochures & flat-sheets
    - Owned/Shared Media upgrades
        - Website & social media channel upgrades
        - Training to manage digital channels
    - Access to tourism trade shows
        - Booth prep and materials
        - Attendance costs (travel, registration)
        - Support with third-party representation

Challenges

- Operational/Administrative
    - Business licenses, certification, insurance
    - Financial planning, accounting
    - Legal advice/support
- Training & HR
    - Staff training – front line, customer service
    - Management/Leadership training
    - Marketing training
- Business Management
    - Access to capital for upgrades and/or expansion
    - Assistance with business readiness analysis and improvements
    - Assistance with business/sales partnerships

2019 Alberta Indigenous Tourism Supplier Survey Results

The survey received 52 responses exceeding the target of 50 responses. This total includes seven surveys marked incomplete as the respondent did not complete all sections of the survey.

WHO are the Indigenous tourism suppliers?

Location of Respondents

Of the 40 respondents who provided a business address, the percentages spread over the six regions are as follows:

North – 8%

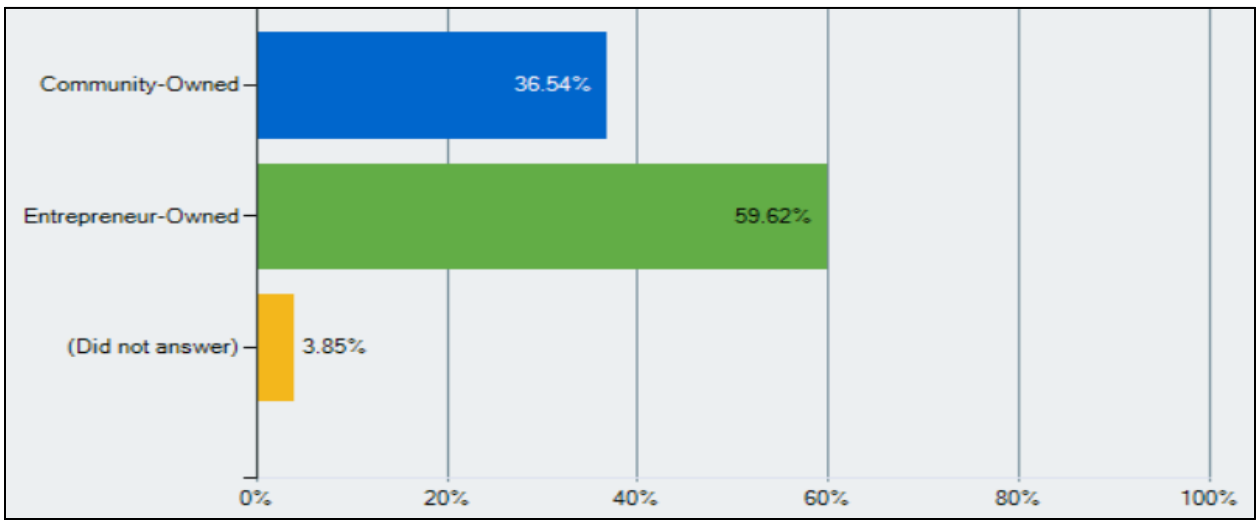
Central – 31% (includes Edmonton)

South – 42% (includes Calgary)

Rockies – 18%

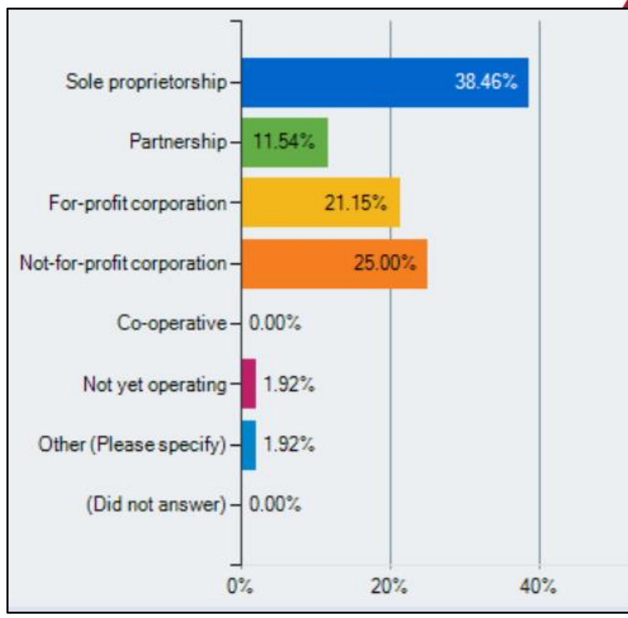
Type of respondents

The indigenous-owned tourism businesses who responded are mostly entrepreneur-owned and about a third of the respondents are community-owned as shown by the bar chart below.



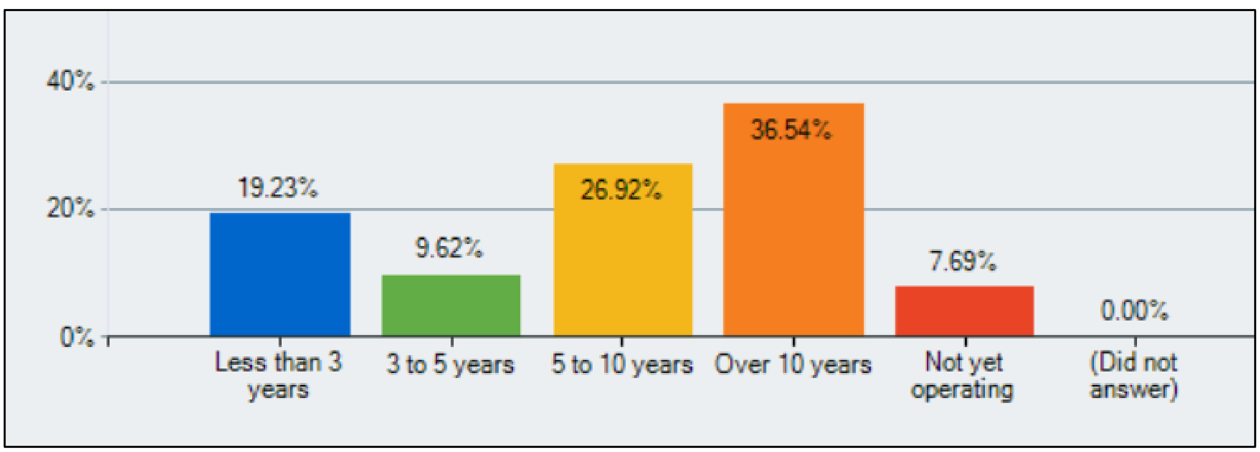
In the 2017 Alberta Indigenous tourism survey, the businesses who responded were 64% entrepreneur (or privately) owned with the remainder community-owned or controlled by an association or society ownership.

In terms of additional types of ownership, the chart shows that most businesses are sole proprietorships (38%) with a remaining 25% being not-for-profit corporations and 21% as for-profit corporations. This helps supporting organizations better understand services and support relevant for these types of ownership structures.

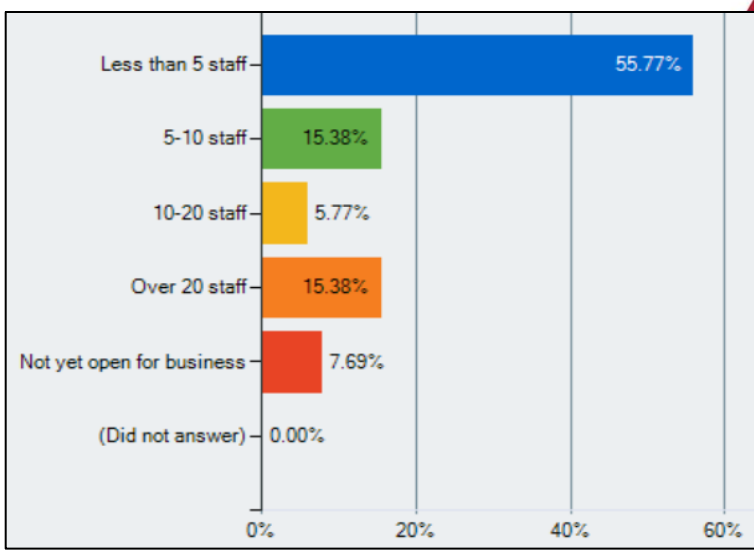


Membership - Over 46% of the respondents are not currently Indigenous Tourism Alberta members. 37% are members while 17% are unsure of their membership status. Of those who are members, two-thirds are voting members and one third are non-voting members of ITA.

Age of Business – Impressively, over 63% of respondents have been actively in business for five years or more (exact same percentage as 2017 Alberta research) with 37% of the respondents in business over ten years. Over 27% of businesses are in business less than 3 years or not yet operating. This collection of businesses will need very different types of support and guidance as compared to those who have been established for five years or more.

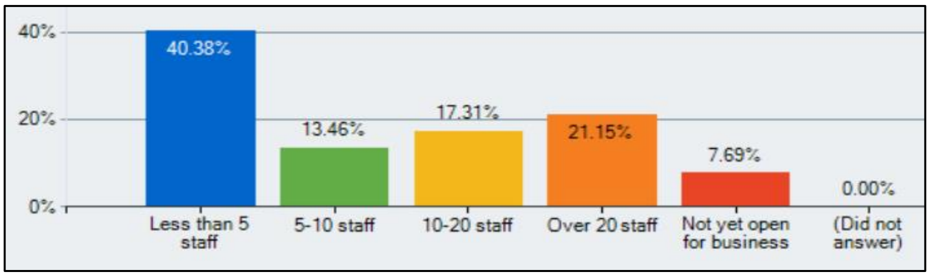


Staffing – A large majority of the businesses who responded have 5 or less full-time staff. Respondents were told to calculate part-time staff as one-half of a full-time staff person.

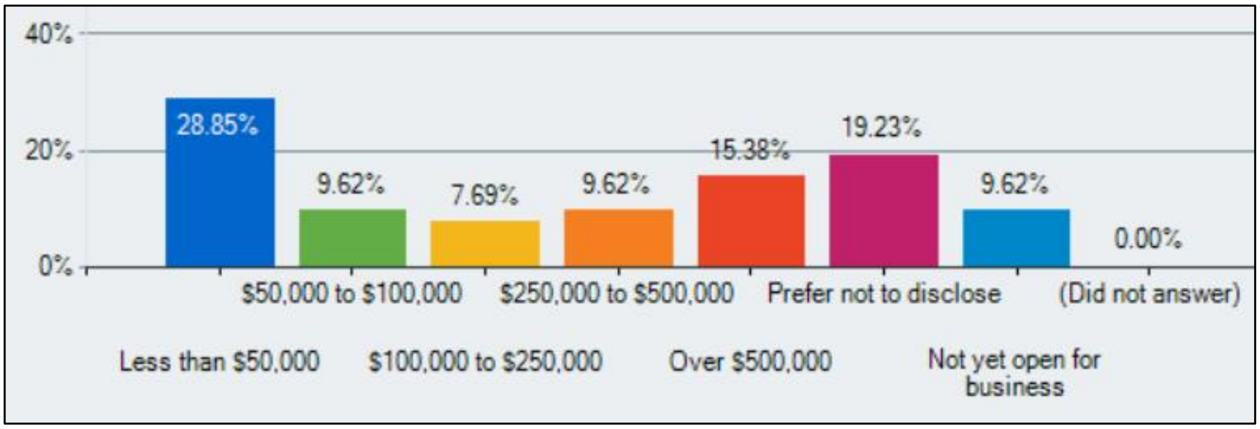


Assuming the actual number of staff is in the middle of each range (i.e.: category 1 = 2.5 staff, category 2 = 7.5 staff etc.) the respondents have an average of nine staff per business. The 2017 Alberta survey indicated an average of seven staff per business.

During the high or busy season, the average staff is 12 per business demonstrating a 33% boost in staffing during the busy tourism season.

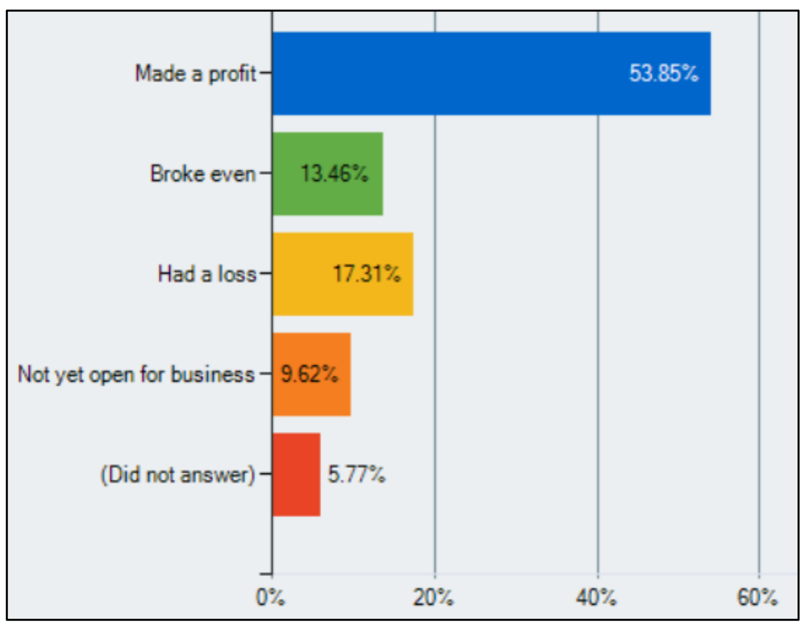


Revenues – These responses show that most businesses have modest gross revenue with 29% indicating their revenues are $50,000 or less. Interestingly, the next highest number of responses shows 15% indicating they earn over $500,000 in revenues. This suggests two distinct groups of Indigenous tourism businesses in Alberta with a solid group of large businesses and a one-third group at $100,00 or less in total revenues.



Profits – Although the gross revenues are mostly modest for these businesses as shown in the chart above, 54% of the businesses made a profit and just 17% report a net loss. Of those who responded and are open for business, 67% made a profit. This suggests that approximately two thirds of these businesses are sustainable based on their net annual profits however this does not indicate sustainability based on factors such as staffing, customer trends and product availability etc.

58% of the businesses also indicated that over the past three years their revenues increased and just 6% indicated their revenues have decreased.

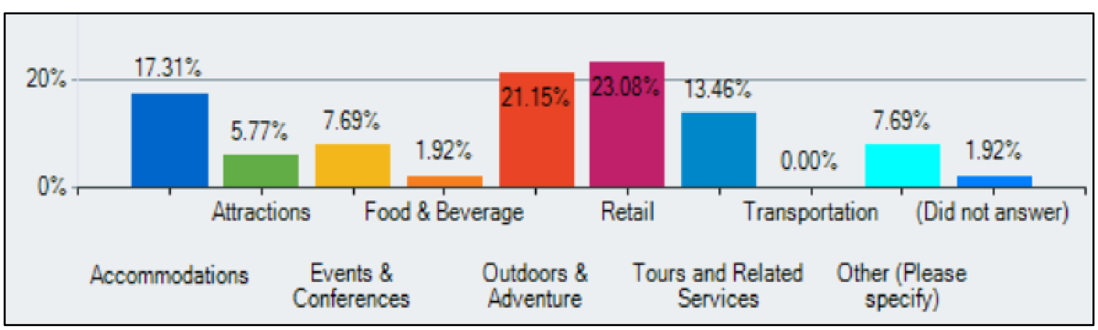


Types of Products & Services Offered – Respondents were asked to indicate all product categories that they offer on a regular basis. The chart below shows a wide range of types of tourism products offered by the respondents. The top three categories, each at 40% or higher are Retail (42%), Outdoors & Adventure and Tours and Related Services (both at 40%). Reviewing the database of Indigenous tourism businesses, Tours & Related Services typically represents businesses who offer cultural workshops and training.

Answer	Responses	Percentage
Accommodations (includes hotels, motels, lodges and campgrounds)	16	30.77%
Attractions (includes museums, cultural centres, event venues, casinos and nature viewing areas)	20	38.46%
Events & Conferences (includes pow-wows, cultural festivals, conferences and trade shows, traditional feasts, performances, traditional games and rodeos)	18	34.62%
Food & Beverage (includes restaurants or cafes, fine dining, fast food and bars/clubs)	15	28.85%
Outdoors & Adventure (includes guided wildlife viewing/nature walks, guided fishing and hunting with guide/outfitter, guided trail rides and horseback excursions, boat/canoe/kayak tours, golf courses)	21	40.38%
Retail (includes gift store/craft shop/boutique, retail art gallery/artist studio, gas station, grocery store, artists, art/gift vendors)	22	42.31%
Tours and Related Services (includes cultural workshops/training, packaged tours, info centre/desk, tour operator/tour packager/travel agency)	21	40.38%
Transportation (any form of transportation provided to guests or customers for a fee)	8	15.38%
Other (Please specify)	7	13.46%

Transportation and Food & Beverage were the bottom two categories and the only two under 30% of responses. With culinary tourism a fast-growing component of the industry, food & beverage would appear to be an important opportunity for tourism product development in Alberta.

The respondents were also asked to indicate the primary form of Indigenous tourism they offered. We see Retail and Outdoors still in the top three, however Accommodations are now third. This suggests that Tours and Related Services are frequently offered however are not typically the primary offering of a business.



In 2017, a similar grouping of the top four businesses were shown to be the most frequent offerings: Workshops and Cultural Training, Outdoor Adventure, Retail and Accommodations.

Cultural Offering or Component – Respondents indicated that almost 80% of the active Indigenous tourism businesses offered a cultural component to their guests. In 2017, the Alberta respondents indicated that 90% of the businesses had a cultural component.

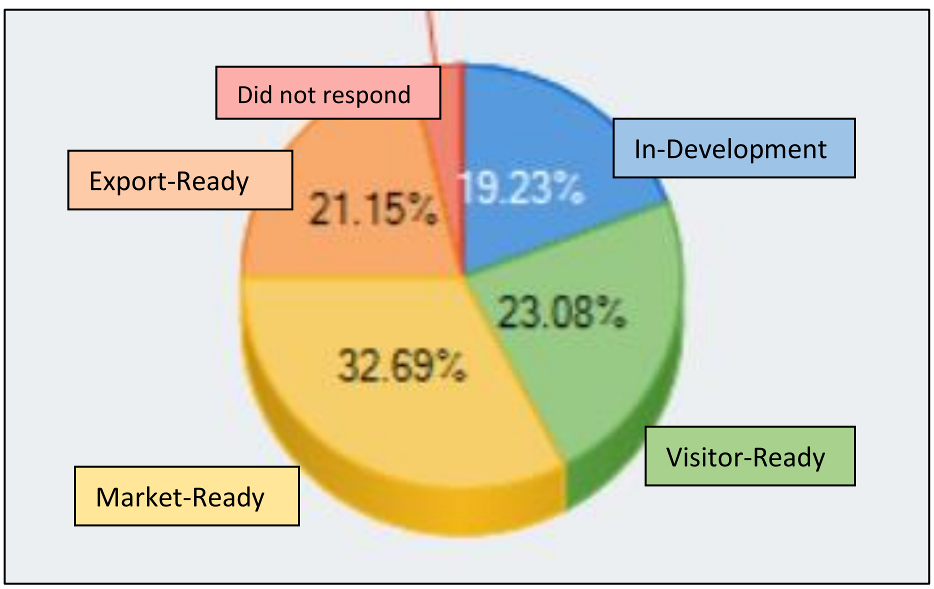
Business-Readiness – The Indigenous tourism businesses were asked to self-assess their business readiness. In tourism, readiness is typically defined as:

IN-DEVELOPMENT - You are not yet 'open for business', OR you are open for business but do not yet meet the Visitor Ready standards (i.e.: do not have set business hours, all necessary licenses & certification etc.)

VISITOR-READY - Business is open and operating (year-round or seasonally), you have all applicable business licenses, permits and insurance and you have an established business location with set business hours.

MARKET-READY - Business meets the 'Visitor Ready' level AND ALSO provides set pricing, payment options and cancellation policies, have marketing materials, during operating season respond to inquiries within 24-48 hours, can accept reservations by email or telephone, have images/video for promo purposes and have trained front-line staff.

EXPORT-READY - Business meets the 'Visitor Ready' and 'Market Ready' levels AND ALSO has been in business for at least one year, have liability insurance (typically $2 million), understand the travel trade system, have pricing levels established for retail, agent commissions and wholesale net rates, have set minimums and cancellation policies for travel trade partners, able to provide travel trade partners with images and descriptions for use in their promotional materials, and provide support for media and travel trade familiarization tours.



The respondents showed an even distribution across the four categories of business readiness. The businesses also indicated that 48% have been at the same readiness level for 5 years or more with only 21% indicating they have improved their readiness level in the past two years or less.

Across Canada, ITAC's 2019 report "Canada's Indigenous Tourism Sector - Insights and Economic Impacts" the breakdown of readiness businesses was:

In-Development – 31%, Visitor-Ready – 28%, Market-Ready – 34% and Export-Ready – 7%

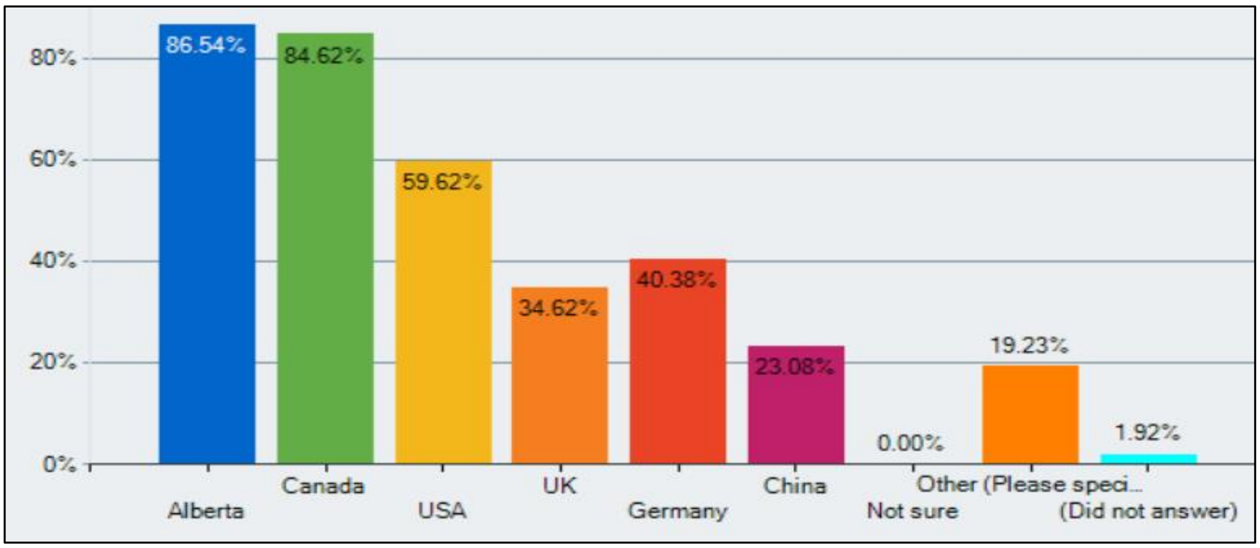
This survey demonstrates it reached a higher percentage of export-ready businesses than the national research and fewer businesses who are in-development.

HOW they plan/produce/provide their experience?

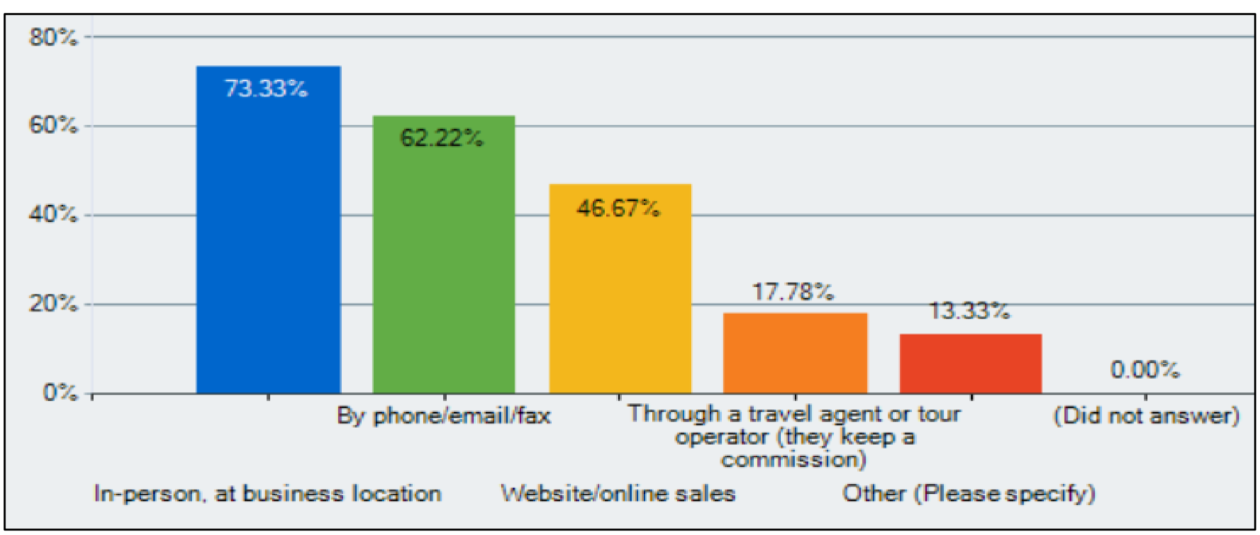
Business Planning - The majority of indigenous-owned tourism businesses who responded operate with a business plan with 35% indicating they used a very detailed annual plan, 25% indicating they use a plan but not detailed and 13% showing they sometimes use a business plan.

Use of Support Agencies – One quarter of respondents indicated they do not use any help from support agencies to assist with their business. Of those that do use assistance, the top four organizations used for help are ITA (40%), Travel Alberta (35%), ITAC (25%) and Alberta Ministry of Economic Development, Trade & Tourism (15%).

Target Markets – Respondents were asked to indicate all their primary target markets for their business. The chart below shows a strong alignment with ITA's top five target markets for Indigenous tourism in Alberta: Alberta, rest of Canada, USA, Germany and the UK. Other countries also referenced were Australia, New Zealand and the Netherlands.



Methods of Payment for Customers – The businesses indicated that the two most popular ways of accepting payment was in-person and by phone/email/fax. Less than half the businesses are set up to accept payment through on-line options (47%) and just 18% are working through a travel agent or tour operator. This indicates there is a significant opportunity to get these businesses online to support the strong trend towards online booking options.

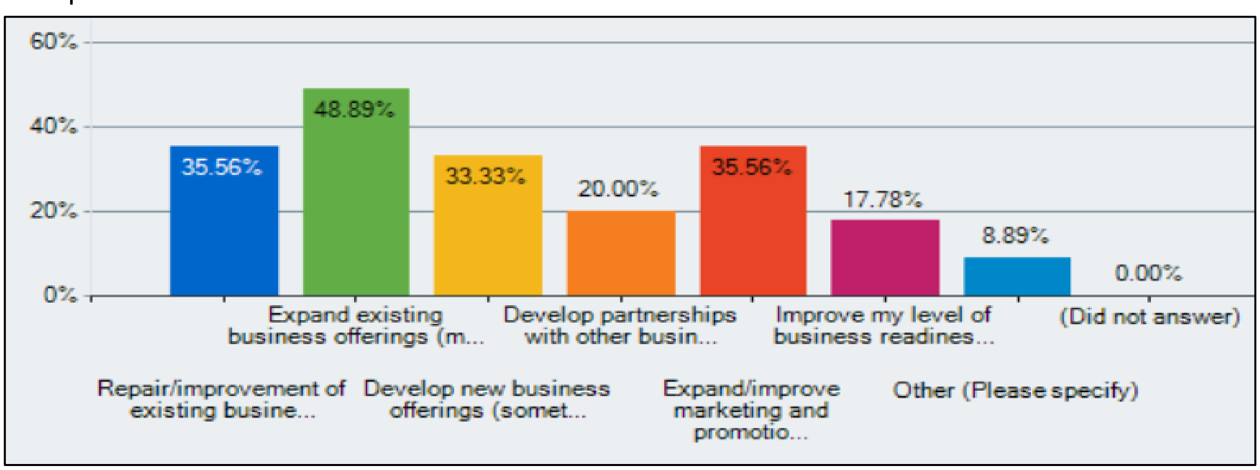


Marketing Activities – As shown below, these is a wide range of marketing activities used by the responding businesses. Respondents were asked to select any of the marketing activities listed if they participated in these activities for their business. The most frequently used marketing activities (at 40% response rate or higher) are: Business Website & Social Media (82%), Brochures, Signage and Printed Materials (78%) Email Marketing (49%) and Partnerships with Destination Marketing Organizations (40%). Less than a third of the respondents showed using more traditional paid advertising. Only 16% showed that they have worked with travel media to grow awareness.

Answer	Responses	Percentage
Brochures, business signage, printed materials	35	77.78%
Your business website and your social media channels	37	82.22%
Email marketing	22	48.89%
Paid advertising (traditional media like magazines, radio, newspaper)	14	31.11%
Paid online advertising (banner ads, Facebook ads, Google adwords)	13	28.89%
Listings on review sites (TripAdvisor, Google, Yelp etc.)	17	37.78%
Partnerships with Destination Marketing Organizations (i.e.: Travel Alberta, Indigenous Tourism Alberta,Tourism Calgary etc.)	18	40.00%
Partnerships with tour operators (they promote and sell your experience/tourism product)	10	22.22%
Outreach to travel media to encourage media stories about your business	7	15.56%
Attend trade shows, consumer shows and marketplaces to promote your business	15	33.33%
None	1	2.22%

WHAT are their Opportunities and Challenges?

Business Growth Opportunity - The survey asked businesses to indicate what kind of business opportunity that they felt would help their business succeed. Almost half of the respondents indicated they would expand their existing business offering with 36% indicating they would repair or improve their existing products. This shows a commitment to their existing product/service mix. Also at 36% of responses was the opportunity to increase their marketing and promotional efforts to increase awareness and sales.



Types of Support Needed – Businesses were asked to indicate what three forms of help they felt their business most needed to improve or expand.

The top five forms of support most often selected as the kind of help they most need to improve or expand their tourism business (in order):

1. Access to Financing
2. Marketing Support and Training
3. Support from tourism industry and political leadership
4. Partnerships with other businesses
5. Product development training, advice, guidance

Answer	Responses	Percentage
Access to financing for upgrades, expansion, cash-flow etc.	32	61.54%
Business management or leadership training	8	15.38%
Marketing support and training	25	48.08%
Partnerships with other businesses	15	28.85%
Product development training, advice, guidance	14	26.92%
Support from my community	12	23.08%
Support from tourism industry and political leadership	15	28.85%
Technical support (IT/website, finance/accounting, legal)	12	23.08%
Tourism front-line service skills training and HR support	7	13.46%
Tourism research, understanding the industry and consumer demand	7	13.46%
Other (Please specify)	6	11.54%

In the 2017 Alberta research, Indigenous tourism suppliers indicated a very similar list of their top five forms of support most often selected as the kind of help they most need to improve or expand their tourism business (in order):

1. Marketing Support and Training
2. Access to Financing
3. Support from tourism industry and political leadership
4. Technical Support (IT, accounting, HR, legal etc.)
5. Product development training & coaching

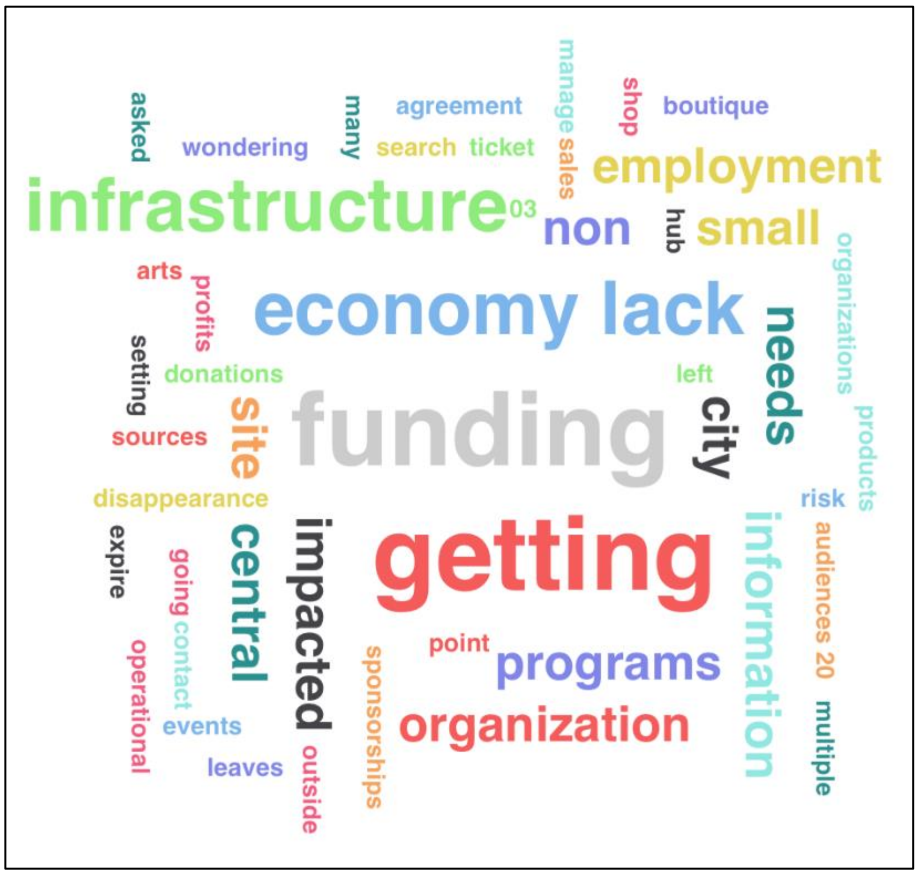
It is very revealing that in two separate surveys with many different respondents, four of the top five support needs appear in both surveys. This helps very clearly understand that the planning moving forward for support agencies need to focus on the four forms of support that consistently appear in feedback from Indigenous tourism suppliers/ operators:

1. Access to Financing
2. Marketing Support and Training
3. Support from tourism industry and political leadership
4. Product development training, advice, guidance

Most Significant Barrier – Respondents were asked to describe their single biggest barrier or challenge to their business success. Of the 44 respondents to this question, there are several categories of answers collected representing the following major barriers or challenges:

- Funding, capital, investment – 9 responses = 20%
- Staffing, H.R., trained & committed workforce – 7 responses = 16%
- Limited marketing – 6 responses = 14%
- Limited physical capacity, business size – 6 responses = 14%
- Community support, stigma of tourism – 4 responses = 9%
- Business admin work required, planning – 3 responses = 7%
- Regional, provincial economy – 3 responses = 7%
- Competition – 2 responses = 5%
- Operating costs, staffing costs – 2 responses = 5%
- Other – 2 responses = 5%

The responses can be formed into a word map showing words that consistently appeared in the responses with words shown in a larger size based on the number of times the word appeared in the responses.



This question gave respondents an opportunity to focus their response on the single barrier they struggle with in establishing a successful Indigenous tourism business.

The responses showed two main trends:

1. Two of the top three responses are consistent with the previous question as they related specifically to:
    a. Funding, access to capital
    b. Marketing, awareness
2. Three of the top five responses show different barriers as compared to the previous question suggesting that these issues need to be incorporated into support agency planning to effectively work towards reducing or eliminating these additional barriers for Indigenous tourism suppliers in Alberta:
    a. Staffing, H.R., trained workforce
    b. Limited physical capacity, business size (typically requires investment to overcome)
    c. Community support

2019 Alberta Indigenous Tourism Suppliers Database

ITA's database of Indigenous tourism businesses has grown to over 160 businesses and events as of September 2019. This database provides an understanding of Indigenous tourism business distribution in Alberta based on:

- Tourism industry sector (type of primary tourism business offering)
- Geographic location
- Level of business readiness

ITA's database has been built based on three stages:

1. ITAC business listing inventory research, 2017-18
   - ITAC researched and built business inventory lists for all 13 provinces and territories in preparation for the updated national research study to be completed by the Conference Board of Canada.
2. Conference Board of Canada listing inventory research, 2018-19
   - The Conference Board of Canada, in the process of completing their surveys and data collection, also updated the ITAC list to include additional businesses and to also remove businesses no longer active.
3. ITA business research 2018-19
   - ITA received the updated lists from ITAC and the Conference Board of Canada and has continually updated the list based on membership inquiries, internet searches for businesses, interaction at industry events with new businesses and discovering new business listings through ITA programs such as surveys and product development grants.

ITA's current database as of November 2019 shows 180 listings of businesses in Alberta that are Indigenous owned and are active in tourism or supporting tourism.
For a business qualify for this list, the business must be majority Indigenous owned and be active in tourism. Based on the sector categories confirmed in the Conference Board of Canada research, the categories of businesses within tourism are:

Recreation and outdoor activities

- Amusement and recreation industries, RV (recreational vehicle) parks, recreational camps

Accommodations

- Traveller accommodation

Gaming

- Gambling industries

Food and beverage

- Food services and drinking places

Arts and heritage

- Performing arts, spectator sports and related industries, heritage institutions

Transportation

- Air transportation, automotive equipment rental and leasing, other transit and ground passenger transportation and scenic and sightseeing transportation, rail transportation
- Support activities for transportation, taxi and limousine service, water transportation

Travel services–retail

- Gasoline stations, General merchandise stores, miscellaneous store retailers, sporting goods, hobby, book, and music stores, travel arrangement and reservation services

Business Readiness

Business-Readiness – The Indigenous tourism businesses were assessed for their business readiness. In tourism, readiness is typically defined as:

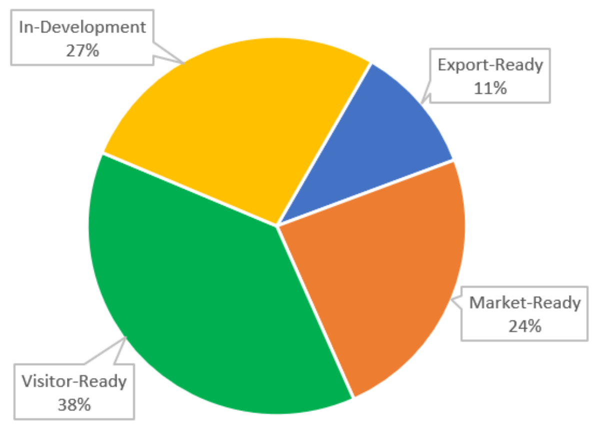
IN-DEVELOPMENT - You are not yet ‘open for business’, OR you are open for business but do not yet meet the Visitor Ready standards (i.e.: do not have set business hours, all necessary licenses & certification etc.)

VISITOR-READY - Business is open and operating (year-round or seasonally), you have all applicable business licenses, permits and insurance and you have an established business location with set business hours.

MARKET-READY - Business meets the 'Visitor Ready' level AND ALSO provides set pricing, payment options and cancellation policies, have marketing materials, during operating season respond to inquiries within 24-48 hours, can accept reservations by email or telephone, have images/video for promo purposes and have trained front-line staff.

EXPORT-READY - Business meets the 'Visitor Ready' and 'Market Ready' levels AND ALSO has been in business for at least one year, have liability insurance (typically $2 million), understand the travel trade system, have pricing levels established for retail, agent commissions and wholesale net rates, have set policies for travel trade partners, able to provide travel trade partners with promotional materials, and provide support for media and travel trade familiarization tours.

The pie chart to the right shows the ITA inventory:



Regional Distribution

The geographic regions as defined by ITA are

- North is defined as north of Edmonton.
- Central is north of Calgary to (and including) Edmonton.
- South is defined as Calgary and south.
- Rockies is defined as the foothills and Rockies area in the southwest area of Alberta.

The ITA inventory has the following regional distribution of businesses in the inventory:

North – 37%
Central – 21%
South – 30%
Rockies – 12%

Tourism Sector – Primary Offering

The inventory of businesses in Alberta have a wide mixture of tourism offerings and options. Based on the tourism sector supplier categories used by the Conference Board of Canada, the following is a breakdown of the tourism businesses in the ITA business inventory list. This list shows only the primary tourism offering of each business; many businesses offer multiple services however this list shares the primary tourism offered.

Tourism Sector	Alberta	National
Accommodations	13%	18%
Recreation & Outdoor Activities	10%	13%
Gaming	3%	2%
Food & Beverage	8%	8%
Arts & Heritage	37%	31%
Travel Services, Retail	27%	22%
Transportation	2%	6%

The two top categories for Alberta in the list above include a wide range of activities within that sector. For example, 'Arts & Heritage' includes museums and cultural centres as well as artists, performers and cultural events. The 'Travel Services – retail' category includes all retail as well as gas stations, galleries and grocery stores heavily used by tourists.

2018-19 ITAC Supplier Research – Canada

In 2018, the Indigenous Tourism Association of Canada (ITAC) partnered with The Conference Board of Canada to conduct research into the current state of the Indigenous tourism industry in Canada. This new research follows up from ITAC's previous nation-wide research project undertaken in 2015.
Link to the full report: "Canada's Indigenous Tourism Sector. Insights and Economic Impacts" https://indigenoustourism.ca/corporate/wp-content/uploads/2019/05/10266_IndigenousTourismSector_RPT.pdf

Research goals of the project:

- To profile and assess the economic impact of Canada's Indigenous tourism sector
- Deliver an updated direct economic footprint of the Indigenous tourism sector in 2017, including GDP, employment, and business growth
- Provides strategic insights from a 2018 survey of Indigenous businesses that participate in the Indigenous tourism sector in Canada

One of the key findings of the updated national research report was that at least 1,875 Indigenous businesses participate in Canada's Indigenous tourism sector, and more than 39,000 people work in the sector's associated industries. Alberta represents, in their study, 125 businesses and 2,939 jobs equaling 7% of businesses and 8% of jobs. The national contribution to GDP of Indigenous tourism is $1.742 billion with $166.2 millions coming from Alberta representing almost 10% of the national contribution.

The national research also determined that in 2014 Indigenous tourism in Alberta produced $387.7 million in annual revenues as compared to $3.793 billion nationally. Alberta therefore represents just over 10% of the national total of revenues generated while representing just 7% of the total number of businesses in Canada.

Growth in Contribution to GDP

The updated national research allows for a comparison of the growth of contribution to GDP at a national level and the provincial level from 2014 to 2017.

	2014 GDP	2017 GDP	% growth 2014-2017
Alberta	$94.8 Million	$166.2 Million	75%
National	$1.4 Billion	$1.742 Billion	24%

- Alberta's $166.2 million of annual direct GDP in 2017 is third highest in Canada behind only Ontario ($622.1 Million) and BC ($260.3 Million)
- Alberta's 75% growth since 2014 is also third highest in Canada behind only Yukon (317%) and Nunavut (98%)

Growth in Indigenous Tourism Jobs
The updated research also allows for a comparison of the growth of the number of full-time equivalent (FTE) jobs in Indigenous tourism at a national level and the provincial level from 2014 to 2017.

	2014	2017	% growth 2014-2017
Alberta – Indigenous Tourism	2,065 FTE's	2,939 FTE's	42%
Alberta – All Tourism[1]	145,600 FTE's	148,200 FTE's	2%
National – Indigenous Tourism	33,112 FTE's	39,036 FTE's	18%

- Alberta's 42% growth in Indigenous tourism jobs since 2014 is third highest in Canada behind only Yukon (351%) and Nunavut (121%).

Growth in Indigenous Tourism Businesses
The national research allows for a comparison of the growth of the number of Indigenous-owned tourism businesses at a national level and the provincial level from 2014 to 2017.

	2014	2017	% growth 2014-2017
Alberta	86	125	45%
National	1,527	1,875	23%

- Alberta's 125 majority Indigenous-owned, tourism-related businesses in 2017 is fourth highest in Canada behind Ontario (558 businesses), BC (341 businesses) and Quebec (217 businesses.
- Alberta's 45% growth since 2014 is second highest in Canada behind only Nunavut (50%).

2019 In-Person Supplier Site Visits

In 2018 and 2019, ITA senior staff visited over 20 Indigenous-owned tourism businesses in all regions of Alberta. The visits were scheduled for the summer months to see the businesses during the busy tourism season.

Business site visit goals:

- Promote ITA membership and association support programs
- Share tourism industry information and opportunities for support
- Collect understanding of opportunities and challenges of the business

List of businesses visited by ITA senior staff include:

North: Lac La Biche Friendship Centre, Hideaway Adventures, Kikino Silver Birch Resort, Metis Crossing, Sawridge Travel Centre

Central: River Cree Resort & Casino, Painted Warriors, Sawridge Edmonton South, HomeFire Grill

South: Moonstone Creations, Grey Eagle Resort & Casino, Tsuut'ina Culture Museum, White Eagle Native Crafts, Westin Calgary Airport, Blackfoot Crossing Heritage Park, River Ranche Lodge, Little Chief Restaurant, Tsuut'ina Powwow

Rockies: Samson Mall, Samson Native Art Gallery, Mahikan Trails, Carter-Ryan Gallery

Observations and Business Feedback:

1. The owners and managers showed a very strong appreciation that ITA representatives would travel to their place of business to meet with them and to see their operation in action.
2. The businesses were often not aware of the programs and projects ITA offers to Indigenous tourism businesses such as the marketing partnership with Travel Alberta (i.e.: ATIS profile listings) and the partnership with ITAC for product development grants.
3. Businesses showed a greater interest in commitment to a membership with ITA as a result of the visit with several new memberships arriving after the site visits.
4. The businesses generally showed a strong level of engagement towards actively and effectively managing their business but often voiced their frustration with being overwhelmed or having challenges with the volume of priorities as part of their business.
5. In-person site visits allowed for discussions regarding their business plans for upgrading and/or expansion. This type of discussion allows ITA representatives to provide instant feedback, guidance and input into these plans and opportunities.
6. ITA committed to specific follow-up actions with each business site visit which further confirmed for the business that ITA wishes to actively support their efforts to grow the success of their Indigenous tourism business.

Strategic Recommendations for ITA

Based on the findings of the primary research and review of existing research, the following recommendations are offered for consideration for ITA to incorporate into their strategic planning process moving forward.

Recommendation #1

The 2017 and 2019 survey of Indigenous tourism businesses in Alberta had four of the top five answers the same indicating the priority these four categories should take in planning ITA programs and projects moving forward. ITA should prioritize efforts to provide support with:

5. Access to Financing
6. Marketing Support and Training
7. Support from tourism industry and political leadership
8. Product development training, advice, guidance

Quote from National Aboriginal Capital Corporations Association website:

"According to a survey by the Canadian Council for Aboriginal Business, access to capital is the number one major obstacle to growth for Indigenous businesses. The potential market for AFIs is 62,250 Indigenous businesses, which employ more than 124,000 Indigenous people." (Canadian Business Patterns, Conference Board of Canada, 2016).

Recommendation #2

A strong majority of survey respondents and businesses who ITA met with over the past year show a strong preference to improve or expand their existing offering (and to improve their marketing of that offering) rather than develop new areas of the tourism sector.

ITA should focus its product development support on:

3. Helping businesses identify their needs to improve their existing business offering
4. Helping businesses identify key opportunities for their business by adding an additional element to their existing business to improve their results and sustainability. For example, adding a culinary component to a guided tour or adding a interactive or immersive component to their retail offering.

Recommendation #3

Direct and meaningful contact of ITA with businesses was shown to have a very positive impact on the relationship with those businesses resulting in increased number of memberships and also identifying existing forms of support that could be directly helpful to that business as a result of a simple conversation.

ITA should develop a "Membership & Business Relations Program" plan to develop a stable base of memberships and engaged businesses who support ITA and help demonstrate ITA's value to the Indigenous tourism industry. This plan would incorporate elements of a corporate communications plan focused on their members and stakeholders to create meaningful and valuable partnerships.

Recommendation #4

Many businesses Indigenous tourism businesses in Alberta (almost 60%) have been at the same level of readiness for five years or more. Also, many businesses (over 65%) are at a visitor-ready or in-development level of readiness. To assist with ITA's product development program, ITA should develop a program that assists at all levels of readiness to:

- Strengthen existing level of readiness
- Identify requirements and opportunities/challenges of achieving the next level
- Staged approach to build towards the next level to make it a manageable process

This process requires that businesses are assessed to understand their business, their opportunities and barriers for improving their business. Some businesses may not create enough advantage if they upgrade their readiness however this is not understood until their business is assessed and the owner/operator understands the options and opportunities.

Recommendation #5

The location of Indigenous tourism businesses in Alberta creates a geographic challenge to provide hands-on support and engagement. Businesses are distributed throughout the province however a business in Fort McMurray should have similar access to ITA support as a business located in Calgary.

ITA needs to further develop their delivery of services and support to effectively reach out in a reasonably fair and balanced way. It is recommended that ITA pursues this in three ways:

4. Online services – interactive and relevant online services can be accessed from almost anywhere
5. Regional workshops & meetings – workshops, meetings and gatherings should be produced and attended by ITA throughout Alberta on a regular basis. Not all events need to be organized by ITA however an organized effort is needed to ensure ITA is active, in-person, across Alberta's regions.
6. Regional outreach – In-person outreach should also be organized to demonstrate commitment to the businesses. For example, if an ITA representative is attending a meeting or function in Grand Cache, ITA should organize drop-ins at businesses in the Jasper area and/or along the way to maximize the value of being in the area.

Participation in meetings, workshops and functions does not need to be attended only by ITA staff. Where appropriate, ITA can assign Board members or Indigenous tourism champions (members) to represent ITA. This requires clear communication within ITA's organization as well as training for all ITA representatives who may be speaking on behalf of the organization.

Recommendation #6

Any business is limited by its ability to deliver its product or service once a consumer demonstrates a willingness to pay for that product or service. Many businesses have voiced their operational challenge of access to a skilled workforce and their ability to keep those staff in a seasonal industry. In addition, the ITAC produced report, the "National Aboriginal Tourism Research Project 2015" identified the top barriers to growth in Indigenous tourism which included "Deficiency of a qualified workforce … finding qualified staff with good market knowledge is a key challenge for Aboriginal tourism businesses".

ITA's programs moving forward needs to address this frequently identified barrier. Marketing and sales success will be wasted if the experience cannot be delivered. Workshops, training and online support should all include relevant materials and support to help businesses attract, train and retain their workforce.

Recommendation #7

Target Markets – Survey and direct feedback from Indigenous tourism businesses and comparison to tourism marketing organizations in Alberta indicates that ITA can maintain their list of the top five geographic target markets for their marketing and promotions efforts: Alberta, rest of Canada, USA, UK and Germany. Additional markets appearing to have strong potential are China and Australia.

ITA should also work more closely with Travel Alberta to align their efforts on reaching out to non-geographic based target markets. Travel Alberta is well versed in the Explorer Quotient program from Destination Canada which looks at traveller's personal beliefs, social values and views of the world to learn exactly why different types of travellers seek out entirely different travel experiences. Travel Alberta is also developing their own "Traveller Personas" to help tourism businesses in Alberta find their best customer for the business.

Appendix

- ITAC - 2018 National Research
- 2019 Survey - Indigenous Tourism Alberta - Print Version of Questions
- ITA - Survey Invite Letter
- Indigenous Tourism Alberta - Research Survey 2019 Data
- 2019 Alberta Indigenous Tourism Suppliers Database
- 2017 Alberta Indigenous Tourism Online Survey